



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Personal Computer Purchase Policy

**MEETING DATE:** February 17, 1993

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** That the City Council approve the attached "Personal Computer Purchase Plan" to allow eligible City employees to purchase a Personal Computer, software, and related equipment by: (1) obtaining government discounts offered to the City of Lodi by manufacturers and vendors; and (2) providing low interest loans.

**BACKGROUND INFORMATION:** This recommendation is based on the interest expressed by members of the City Council and staff to promote the productivity of City staff by using Personal Computers (PC's) when there are practical applications for this equipment. The experience in both the public and private sectors over the last 5 to 6 years has been that both the employee and the organization benefit when PC's are used in the conduct of business. These benefits include reduced staffing, faster service, increased salaries, improved control over funds and other assets.

Personal Computers are versatile pieces of equipment that have many uses and applications. They can be used as typewriters, calculators, for problem solving, for storage of information and preparing reports. With the extensive use of Personal Computers in the workplace, a large number of "off-the-shelf" programs have been marketed that help cities conduct business more efficiently. There are payroll and accounting programs, computer aided design programs, publication programs, fleet management programs, etc. Many of these programs replace either manual record keeping efforts or more expensive "central computer" applications.

Two problems faced by all organizations that introduce Personal Computers to the workplace are the employee's learning curve and the cost of training. The sooner employees become computer literate, the sooner the organization achieves the increased productivity this equipment can provide. To reduce the learning curve and training costs, many cities have encouraged employees to use Personal Computers at home that are similar to that used or to be used at work. This is accomplished by offering incentives to employees to purchase equipment and software for home use. The typical incentives offered include but are not limited to the following:

- \* Providing employees with the opportunity to purchase equipment and software using company discounts

APPROVED

  
THOMAS A. PETERSON  
City Manager



recycled paper

- \* Low interest loans
- \* No interest loans
- \* Giving the equipment and software to employees for work
- \* Allowing employees to purchase surplus equipment at a deep discount

## **MANAGEMENT INFORMATION SYSTEMS COMMITTEE**

In early December 1992, the Personnel Director recommended an "Employee Purchase Plan" to allow City employees to purchase Personal Computers with a "no-interest" loan. The City Manager referred this recommendation to the Management Information Systems Committee which has representatives from each Department. The Committee met on January 11, 1993, reviewed the recommendations of the Personnel Director. The attached policy reflects the final recommendation of the Committee:

1. Allows employees to purchase equipment and software using City of Lodi government discounts .
2. Provide employees with "low interest" loans for the purchase of equipment and software. The interest rate to be based on the interest rate earned for City investments at the State Treasurer's Office.

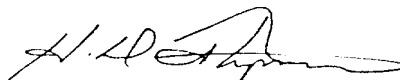
It was determined after discussions at the Management Information Systems Committee and with the City Manager, that it would not be in the City's best interest at this time to give employees "no interest" loans to purchase PC's. This would not only result in lost revenue to the City but would require more effort to administer than for "low interest" loans. However, the recommendation to offer "no interest" loans can be reviewed again when the financial stability of the City is more certain.

## **COORDINATION**

This policy has been coordinated with the City Attorney and a representative of each Department.

## **FUNDING**

This program will not require the expenditure of City funds.



H.D. Flynn  
Finance Director

## **Management Information Systems Policy**

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### **PERSONAL COMPUTER PURCHASE PLAN**

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#### **OVERVIEW**

The Personal Computer Purchase Plan is adopted to assist employees purchase computers, software and related equipment for personal use. The objectives of this Plan are:

- \* To promote employee productivity by improving their computer literacy skills with equipment and software used by the City, and;
- \* To reduce the City's cost of training employees in the equipment and software used in the conduct of City operations.

The experience of cities and private companies that have promoted similar programs have realized the benefits described above. Accordingly, the following policies are adopted by the City Council of Lodi:

#### **POLICIES**

- A. The City will allow employees to purchase personal computers, software and related equipment with existing government discounts offered by vendors and manufacturers to the City of Lodi.
- B. The City will provide low interest loans to purchase personal computers, software and related equipment to eligible employees up to \$2,500 for up to 36 months at rates given to the City of Lodi for investments at the State Treasurer's Office.
- C. No game or entertainment software and hardware qualifies for loans under this purchase plan.
- D. The City accepts no liability or risk for equipment or software purchased under this plan. Maintenance of equipment is the sole responsibility of the employee.
- E. This purchase plan is limited to regular and part-time city employees who have passed probation.

#### **ADMINISTRATION**

- A. Questions regarding interpretation of these policies, appeals, and implementing instructions are the responsibility of the Finance Director.
- B. Department Heads will establish equipment and software standards for equipment and software to be purchased under this Plan.
- C. Participants in this purchase plan may be reimbursed for purchases approved by their Department Head based on receipts, invoices and the City's loan agreement. However, the reimbursement is limited to purchases made after approval is received from both the Department Head and the Finance Director. Retro-active reimbursements will not be allowed.

- D. Departments Heads will be required to approve payments on a Claim Voucher prior to payment when the employee is not requesting reimbursement.
- E. To obtain a "government discount", the prior approval of the City's Purchasing Officer is also required. Due to vendor and manufacturer restrictions, purchases made at government discount may have to be made by the Purchasing Officer on a City Purchase Order. Accordingly, the employee will ensure the following actions are completed and the documentation is presented to the Purchasing Officer:
  - 1. A copy of the approved Loan Agreement, if applicable.
  - 2. A receipt for the full value of the purchase issued by the Finance Department.
  - 3. A Memorandum from the Department Head approving the purchase of equipment listed.
- F. Loans must be repaid in full before a new loan may be authorized.

#### **LOAN AGREEMENT**

- A. The Finance Department will prepare loan agreements (copy attached) and payment schedule.
- B. Loans will be paid by personal check, money order or payroll deduction. Payroll deductions will not be allowed except upon termination of employment and at such time as the payroll system has additional deduction fields to allow payroll deduction.
- C. Loans will be made under the following terms and conditions:
  - 1. All loans will be repaid within 36 months or in full upon resignation, termination or when delinquent for more than 15 days.
  - 2. The participant agrees to allow the Finance Director to collect in full the amount of the loan outstanding from pay and allowances due upon resignation, termination or delinquency.
  - 3. Payment will be made monthly by check in the amount specified in the agreement by the 14th of the month. The amount due will be delinquent if not paid by the 1st day of the following month. A \$10.00 delinquent charge will be added to delinquent payments.
  - 4. Each participant in the plan agrees that use of the equipment and software being made available and financed under this plan will be restricted to the participant's own use and that of his/her immediate family. Participant agrees not to sell, trade, or otherwise dispose of the Equipment until the loan has been paid in full or for one full year after the effective date of the agreement whichever time is greater.

5. Participant agrees to provide documentation (receipts) to support purchase of equipment prior to reimbursement.
  6. The City of Lodi makes no representations or warranties, expressed or implied as to the quality or appropriateness of any software or hardware purchased under this Plan.
  7. The Participant agrees to protect software and hardware purchased under this Plan against household hazards (excessive dust, liquids, spills, electrical surges, etc.)
  8. The Participant will ensure that their home insurance policy provides adequate protection of equipment purchased under this Plan from fire, theft and lightning.
  9. The City of Lodi will not provide systems support, purchase information, or training to participants under this plan.
  10. The City will not accept trade-ins on purchases and all purchases will be considered final at the time a loan is authorized and provided to the participant.
  11. Employees will abide by software licensing agreements for City purchased software and that software purchased for personal use.
- D. The Purchasing Officer and the Finance Department will not provide customer service for the purchase of equipment and software at "government discount". It will be the responsibility of the employee to know what equipment is to be purchased, costs and vendor or manufacturer identification.

## AGREEMENT

**THIS AGREEMENT** is made and entered into in the City of Lodi on this \_\_\_\_ day of \_\_\_\_\_, 1993, by and between the **CITY OF LODI**, a municipal corporation, hereinafter referred to as CITY, and \_\_\_\_\_, hereinafter referred to as PARTICIPANT.

## WITNESSETH

**WHEREAS**, on \_\_\_\_\_, 1993, CITY adopted a "Personal Computer Purchase Plan" which authorizes City employees to obtain a low interest for the purchase of a personal computer, software and other related equipment.

**WHEREAS**, pursuant to said plan, PARTICIPANT obtained written authorization from his or her Department Head to purchase the items on the attached list.

**WHEREAS**, PARTICIPANT and his/her Department Head provided the Finance Director with applicable receipts or list of items to be purchased.

**NOW THEREFORE**, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, and shall remain in effect for a period of \_\_\_\_\_ months in accordance with the attached payment schedule or until such time as the PARTICIPANT makes payment in full whichever comes first.

2. **AMOUNT.** The undersigned employee agrees to repay this loan of \$ \_\_\_\_\_ in \_\_\_\_\_ installments in the amount of \$ \_\_\_\_\_ per month.

3. **INCORPORATION BY REFERENCE.** The City's "Personal Computer Purchase Plan" is hereby incorporated in and made a part of this Agreement.

4. **HOLD HARMLESS AND INDEMNIFICATION.** PARTICIPANT agrees to defend, indemnify, and hold harmless the CITY, its officials, officers, employees, representatives, and agents, from and against all claims, lawsuits, liabilities or damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of PARTICIPANT in connection with the equipment and software purchased under this Agreement.

5. **TERMINATION.** The CITY may terminate this Agreement at any time by providing fifteen days (15) days written notice of termination to PARTICIPANT. Upon such termination, PARTICIPANT shall pay the amount of the loan due in full.

6. **COMPLETE AGREEMENT.** This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.

**IN WITNESS WHEREOF,** the parties hereto have caused this instrument to be executed the day and year first above written.

\_\_\_\_\_  
Finance Director

\_\_\_\_\_  
(employee)

RESOLUTION NO. 93-3.

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A RESOLUTION OF THE LODI CITY COUNCIL  
APPROVING THE "PERSONAL COMPUTER PURCHASE PLAN"

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RESOLVED, that the Lodi City Council hereby approves the "Personal Computer Purchase Plan" (Exhibit A) to allow eligible City employees to purchase a personal computer, software, and related equipment by:

- (1) obtaining government discounts offered to the City of Lodi by manufacturers and vendors; and
- (2) providing low interest loans.

Dated: February 17, 1993

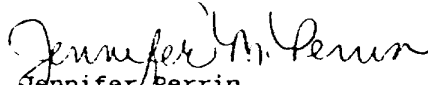
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I hereby certify that Resolution No. 93-30 was passed and adopted by the Lodi City Council in a regular meeting held February 17, 1993 by the following vote:

Ayes: Council Members - Davenport, Sieglock, Snider and  
Pennino (Mayor)

Noes: Council Members - Mann

Absent: Council Members - None

  
Jennifer Perrin  
City Clerk



## Management Information Systems Policy

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### PERSONAL COMPUTER PURCHASE PLAN

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

\_\_\_\_\_  
Finance Director

\_\_\_\_\_  
(employee)